

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
MIAMI DIVISION

Case No. 0:11-CV 60626

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The Law Offices of :
David J. Stern, P.A. :
Plaintiff/Counter Defendant, :
:
vs. :
:
Federal Home Loan :
Mortgage Corp., :
Defendant/Counter Plaintiff :
:
- - - - - x

VIDEO DEPOSITION OF GRAHAM H. KIDNER
McLean, Virginia
Wednesday, August 22, 2012
10:00 a.m.

1 activities to foreclose people's homes until
2 they could satisfy themselves and report to us
3 that they could rely on untainted documentation
4 amongst other things. There were several
5 letters.

6 He said more than that, but
7 essentially we told specific servicers that
8 they could not proceed on foreclosures on
9 Freddie Mac files until they had satisfied both
10 themselves and us that they could proceed
11 lawfully and relying on accurate and untainted
12 documentation.

13 And after the number of servicers who
14 reported or there were reports about them
15 having similar problems began to grow Freddie
16 Mac issued general directions to all servicers
17 along similar lines.

18 Q Why?

19 A Because we didn't want servicers
20 pursuing foreclosures against borrowers relying
21 on improper documentation and other
22 improprieties caused by servicers.

23 Q Why did you provide the servicers the
24 opportunity to correct affidavits that were
25 filed robo signed affidavits?

1 A I am not sure we provided the
2 opportunity to correct necessarily. We
3 recognized, I think, that foreclosures had to
4 -- well, foreclosures were necessary to do
5 because borrowers had failed to pay their
6 mortgages would have to proceed in any event.

7 What we didn't want to have happen is
8 that those would proceed relying on tainted
9 documentation and other improprieties so we
10 recognized the need no continue with
11 foreclosure activity in those cases where that
12 was the appropriate course of action, but we
13 didn't want to have happen is that those
14 foreclosure activities would continue to
15 proceed or would proceed relying on false
16 inappropriate documentation and other improper
17 practices.

18 Q Were these servicers supposed to
19 correct those affidavits that were robo signed
20 or were inadequate?

21 A We didn't get into the details with
22 servicers of what exactly they were supposed to
23 do. These were issues that were not simply in
24 Florida.

25 These were issues that were across a

1 the country. There were improper documents,
2 improper practices in foreclosures across the
3 country.

4 We did not know the details
5 necessarily of what exactly all of those
6 problems were and where all of those files
7 were. We did not dictate while specific
8 actions they had to take or not to take.

9 It was up to the servicers to ensure
10 that the actions they took that meant at the
11 end of the day that any foreclosure that they
12 proceeded to complete will be completed
13 correctly.

14 Q Did you ever hear of any affidavits
15 being executed by Jeffrey Steffan in connection
16 with GMAC acting as is service?

17 A Yes.

18 Q What do you know about that?

19 A I know that there was some, that that
20 was the GMAC employee. He was the first
21 servicer that broke cover so to speak on the
22 robo signing issue and we learned of that
23 through -- I don't recall exactly how we
24 learned of it, but we learned of it -- Oh, we
25 learned of it from one of our designated

1 counsel law firms.

2 Q Was there any direction given by
3 Freddie Mac to GMAC with regard to those
4 affidavits?

5 A There was a letter written to GMAC
6 with regard to them proceeding on Freddie Mac
7 files relying on improper and tainted
8 documentation amongst other things.

9 They didn't to my knowledge
10 specifically reference Jeffrey Steffan, but it
11 referenced a series of alleged improper
12 activities that GMAC may have been relying on
13 in order to prosecute foreclosure actions.

14 Q Did Freddie Mac tell GMAC to correct
15 those problems?

16 A I am not sure that Freddie Mac
17 exactly told them to correct the problem.
18 Again, Freddie Mac told GMAC, and this is from
19 memory that they could not proceed to prosecute
20 foreclosure actions relying on any tainted
21 documentation or improper practices.

22 Q Why didn't Freddie Mac terminate
23 GMAC?

24 A I don't know. That is not an area
25 that I had any involvement with. I am not